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FISCAL IMPACT REPORT

ORIGINAL DATE 2/3/06

SPONSOR Miera LAST UPDATED _____ HB 472

SHORT TITLE Educational Tech Deficiency Correction Fund SB _____

ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
\$94,400.0		Nonrecurring	General Fund
\$24,200.0		Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Senate Bill 452

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
\$94,400.0			Nonrecurring	Educational Technology Deficiency Correction Fund

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY06	FY07	FY08	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$20.0	\$20.0	\$40.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the Chief Information Officer (OCIO)

Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 472 appropriates \$94.4 million from the general fund to the Educational Technology Deficiency Correction Fund for the purpose making allocations to correct serious deficiencies in educational technology infrastructure.

HB-472 also appropriates \$24.2 million from the general fund to the Public Education Department for the purpose of making distributions to school districts to replace functionally obsolete computers and network devices.

FISCAL IMPLICATIONS

Given the scope of work that will be required to evaluate applications and provide oversight to meet the requirements of this legislation, the Public Education Department notes an annual need of approximately \$20 thousand in added operating budget. These funds will be used to cover staff time and reimbursements for travel and per diem.

The appropriation of \$94.4 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

The appropriation of \$24.2 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

This bill provides for continuing appropriations. The LFC has concerns with including continuing appropriation language in statutory provisions as earmarking reduces the ability of the legislature to establish spending priorities.

SIGNIFICANT ISSUES

Prior to expending funds for educational technology deficiency corrections, PED must receive approval from the Council on Education Technology of the method used by the department to prioritize projects and for proposed allocations.

Prior to distributing funds to districts for replacing functionally obsolete computers and network devices, school districts must have a PED approved technology plan in place and agree to match the distribution with an amount determined utilizing the same formula as used for Public School Capital Outlay Council construction projects.

The department notes the following minimum adequacy standards for educational technology for New Mexico schools, students and teachers:

- One T1 Internet connection per school building
- Fiber connection with high speed switches/routers for network distribution facilities.
- Security measures: Anti-virus, Filtering, Firewall
- Labs/Libraries/Offices: 100 mega byte connection for each computer/printer

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- Cafeteria/Auditorium/Gymnasium: wireless access points or network connection
- Four network connections per classroom

While it is clear the appropriations contained in the bill for technology replacement will result in updated equipment in the classrooms, it is unclear if the school districts will have the resources to maintain this equipment as needed for long term use. Further it is unclear if school districts are willing to allocate funds for establishing an equipment replacement cycle over time.

PA/nt:mt